

SEC73

HO-13388

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7/19/2018 9:59 AM

Condensed Transcript

Prepared by:

HO-13388

Friday, October 05, 2018

EXHIBIT 229
WIT: Wang
DATE: 1-9-20
Jeanine Curcione, CSR, RPR

Page 1

Page 3

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 2
 3 In the Matter of:)
 4) File No. HO-13388-A
 5 KIK INTERACTIVE, INC.)
 6
 7 WITNESS: Harrison Wang
 8 PAGES: 1 through 31
 9 PLACE: Securities and Exchange Commission
 10 444 South Flower Street, Suite 900
 11 Los Angeles, California 90071
 12 DATE: Thursday, July 19, 2018
 13
 14 The above-entitled matter came on for hearing,
 15 pursuant to notice, at 9:59 a.m.
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 18
 19
 20
 21
 22
 23
 24 Diversified Reporting Services, Inc.
 25 (202) 467-9200

1 C O N T E N T S
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 3 WITNESS: EXAMINATION
 4 Harrison Wang 5
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 6 EXHIBITS DESCRIPTION IDENTIFIED
 7 71 Subpoena and Cover Letter 7
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Page 4

1 APPEARANCES:
 2
 3 On behalf of the Securities and Exchange Commission:
 4 JAMES MURTHA, ESQ.
 5 JEFFREY LEASURE, ESQ.
 6 Securities and Exchange Commission
 7 Division of Enforcement
 8 100 F Street, N.E.
 9 Washington, D.C. 20549
 10
 11 Also Present:
 12 Keith Farris, Videographer
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1 P R O C E E D I N G S
 2 THE VIDEOGRAPHER: Good morning.
 3 This begins the investigative testimony of
 4 Mr. Harrison Wang in the matter regarding Kik Interactive,
 5 Incorporated, file No. HO-13388-A. Today's date is July
 6 19, 2018. The time is 9:59 a.m. This testimony is being
 7 taken at 444 South Flower Street in Los Angeles,
 8 California.
 9 The videographer and notary today is Keith
 10 Farris representing Diversified Reporting. The certified
 11 court reporter today is Mr. Marshall Latiner.
 12 Will all counsel now please introduce
 13 themselves.
 14 MR. MURTHA: James Murtha with the SEC Division
 15 of Enforcement out of the Washington D.C. office.
 16 MR. LEASURE: Jeffrey Leasure, same division
 17 and office.
 18 MR. MURTHA: Please raise you right hand.
 19 Do you swear to tell the truth, the whole truth
 20 and nothing but the truth.
 21 MR. WANG: Yes.
 22 Whereupon,
 23 HARRISON WANG,
 24 was called as a witness and, having been first duly
 25 sworn, was examined and testified as follows.

<p style="text-align: right;">Page 5</p> <p>1 EXAMINATION</p> <p>2 BY MR. MURTHA:</p> <p>3 Q Could you please state your full name and spell</p> <p>4 your name for the record?</p> <p>5 A Harrison Wang; H-A-R-R-I-S-O-N, the last name</p> <p>6 is W-A-N-G.</p> <p>7 Q Good morning, Mr. Wang. I'm James Murtha and</p> <p>8 to my immediate left is Jeffrey Leasure. We are members</p> <p>9 of the staff of the Enforcement Division of the United</p> <p>10 States Securities and Exchange Commission and officers of</p> <p>11 the commission for purposes of this proceeding.</p> <p>12 This is an investigation by the United States</p> <p>13 Securities and Exchange Commission in the matter of Kik</p> <p>14 Interactive, File No. HO-13388, to determine whether</p> <p>15 there have been violations of certain provisions of the</p> <p>16 Federal Securities Laws.</p> <p>17 However, the facts developed</p> <p>18 in this investigation might constitute violations of</p> <p>19 other federal or state civil or criminal laws.</p> <p>20 Prior to the opening of the record, you were</p> <p>21 provided with a copy of the Formal Order of Investigation</p> <p>22 in this matter as supplemented.</p> <p>23 It will be available for your</p> <p>24 examination during the course of this proceeding.</p> <p>25 Mr. Wang, have you had an opportunity to review</p>	<p style="text-align: right;">Page 7</p> <p>1 A Yes.</p> <p>2 Q Since you are not represented by counsel, there</p> <p>3 are certain matters discussed in Exhibit No. 1 that I</p> <p>4 would like to highlight for you.</p> <p>5 Do you understand that upon your request these</p> <p>6 proceedings will be adjourned so you may obtain counsel?</p> <p>7 A Yes.</p> <p>8 Q Do you understand that the statutes set forth</p> <p>9 in Exhibit No. 1 provide criminal penalties for knowingly</p> <p>10 providing false testimony or knowingly using false</p> <p>11 documents in connection with this investigation?</p> <p>12 A Yes.</p> <p>13 Q Do you understand you may assert your rights</p> <p>14 under the Fifth Amendment to the Constitution and refuse</p> <p>15 to answer any questions which may tend to incriminate</p> <p>16 you?</p> <p>17 A Yes.</p> <p>18 Q Mr. Wang, this is a copy of a subpoena that has</p> <p>19 been marked as Exhibit 71.</p> <p>20 (SEC Exhibit No. 71 was marked</p> <p>21 for identification.)</p> <p>22 BY MR. MURTHA:</p> <p>23 Q Is this a copy of the subpoena you are</p> <p>24 appearing pursuant to here today?</p> <p>25 A Yes.</p>
<p style="text-align: right;">Page 6</p> <p>1 the Formal Order?</p> <p>2 A Yes.</p> <p>3 Q Do you have any questions?</p> <p>4 A No.</p> <p>5 Q Also prior to the opening of the record, you</p> <p>6 were provided a copy of the Commission's Supplemental</p> <p>7 Information Form 1662.</p> <p>8 A copy of that notice has been</p> <p>9 previously marked as Exhibit 1.</p> <p>10 (SEC Exhibit No. 1 was marked</p> <p>11 for identification.)</p> <p>12 BY MR. MURTHA:</p> <p>13 Q Mr. Wang, have you had the opportunity to read</p> <p>14 Exhibit No. 1?</p> <p>15 A Yes.</p> <p>16 Q Do you have any questions concerning this</p> <p>17 notice?</p> <p>18 A No.</p> <p>19 Q You have the right to be accompanied,</p> <p>20 represented and advised by counsel.</p> <p>21 This means that you may have an</p> <p>22 attorney present and that your attorney can</p> <p>23 advise you before, during and after your examination here</p> <p>24 today.</p> <p>25 Do you understand this?</p>	<p style="text-align: right;">Page 8</p> <p>1 Q Thank you.</p> <p>2 Mr. Wang, are you currently on or taking any</p> <p>3 medication that would affect your ability to remember</p> <p>4 things or recall events or do you suffer from any medical</p> <p>5 conditions that would similarly affect your ability to</p> <p>6 recall events or answer questions truthfully?</p> <p>7 A No.</p> <p>8 Q We'll just start out with you giving us at a</p> <p>9 resume level maybe beginning with college your</p> <p>10 educational and work experience.</p> <p>11 A Yes.</p> <p>12 I went to Johns Hopkins. After that I was in</p> <p>13 New York for three years, I think. During that time I</p> <p>14 took a development boot camp for tech and then started</p> <p>15 my own startup and then have since worked for two tech</p> <p>16 companies.</p> <p>17 Q Tell me about the tech boot camp you took; who</p> <p>18 ran that?</p> <p>19 A It was called Flatiron School in New York. It</p> <p>20 was – I guess the guy who founded it, his name is Avi</p> <p>21 Flombaum.</p> <p>22 Q What did you learn there?</p> <p>23 A It was just like a three-month coding boot</p> <p>24 camp.</p> <p>25 So Javascript, Ruby, HTML.</p>

<p style="text-align: right;">Page 9</p> <p>1 Q You had mentioned that you had this startup 2 company; what was that? 3 A It was called Click Me. 4 Q Tell me about that. 5 A So that was just me and a friend from MIT 6 started a company. 7 We raised a little money, and we 8 couldn't raise any more money, so we shut that down. 9 Q What was the goal of Click Me or what was Click 10 Me going to do? 11 A So it was, I guess, a social media platform 12 that sits on blogs, on websites. 13 Q And you were trying to get people to click on 14 something? 15 A It was basically like an Instagram for 16 websites. 17 So you could hover over images and the like, and 18 comment directly on those images, on websites. So the 19 point was to drive engagement to websites. 20 Q And how did you raise money for that? 21 A Just like family and friends. 22 Q Could you, at a high level, tell us about your 23 general investment experience? 24 A Generally I had a small stock portfolio that my 25 dad gave me, and then it was that, and then</p>	<p style="text-align: right;">Page 11</p> <p>1 A Yes. 2 Q At the time you first started buying cryptos, 3 were they tradable on secondary exchanges? 4 A Yes, I believe so. Yeah. 5 Q In your view, what's the purpose of secondary 6 exchanges for cryptos? 7 A You mean something like Coinbase? 8 Q Sure. 9 Is Coinbase a secondary exchange? 10 A It's an exchange. I guess I'm not really sure 11 what a secondary exchange is. 12 Q Is Coinbase an exchange where you can exchange 13 cryptos? 14 A Yes. 15 Q And in your view what's the purpose of a 16 Coinbase? 17 A Just so that like we tell consumers, investors 18 can get -- can buy a Bitcoin or buy cryptocurrencies. 19 Q Do these exchanges provide liquidity to people 20 who have invested in cryptos? 21 A Yes. 22 Q Do you own more than a million dollars in 23 cryptos? 24 A Yes. 25 Q Why do you purchase cryptos?</p>
<p style="text-align: right;">Page 10</p> <p>1 cryptocurrencies. 2 Q When did you begin? 3 When did your dad give you 4 the small stock portfolio? 5 A 2013, 2014 maybe. 6 I don't remember. 7 Q What sorts of investments were you making in 8 2013? 9 A I think it was like maybe Nike, Starbucks, just 10 a couple, kind of mainstream stocks, yeah. 11 Q And then at some point you started investing in 12 what you call cryptos? 13 A Yes, cryptocurrency. 14 Q What does the word "crypto" mean to you? 15 A I guess just digital currency. 16 Q And approximately how many different cryptos 17 have you purchased? 18 A How many cryptos? 19 Maybe like ten-ish. 20 Q And when did you first start investing in 21 cryptos? 22 A I'd say we probably bought our first Bitcoin in 23 2013, 2012. 24 Q So your Bitcoin was your first crypto 25 investment?</p>	<p style="text-align: right;">Page 12</p> <p>1 A I believe that it will facilitate kind of a 2 new age of Internet. 3 I believe like blog change 4 technology, which is the underlying aspect of cryptos, 5 can be become web 3.0 or will become web 3.0. 6 Q Why is that important to you when purchasing a 7 crypto? 8 A One, I think it will give good ROI. I think it 9 will also just kind of advance technology. I think 10 cryptos will advance technology just the way financial 11 transactions are done, how banking is done. 12 So, yeah, I just feel -- you know, I have some. 13 Then eventually when it does have utility and all that 14 stuff, you know, we can use it, we can, you know, cash 15 out of it. 16 There's just a lot of options down the road. 17 Q Just so the record is clear, when you used the 18 term "ROI," you meant return on investment? 19 A Correct. 20 Q Did you participate in the Kik Kin ICO? 21 A Yes. 22 Q How did you first learn about the Kin ICO? 23 A It was just on news outlets, I think. I know 24 sites like CoinDesk. 25 I think I saw an article in like</p>

<p style="text-align: right;">Page 13</p> <p>1 Business Insider or something. 2 It was just like news 3 sites. 4 Q Like sort of a crypto media outlet? 5 Is that a fair way to put 6 it? 7 A Yes. 8 I think there were also articles on mainstream 9 sources Forbes and Business Insider, I believe. 10 Q Do you have a brother? 11 A Yes. 12 Q What's his name? 13 A William Wang. 14 Q And is your brother, William, involved in the 15 Kin ICO along with you? 16 A Yes. 17 Q And did you and your brother pool your money 18 together to invest? 19 A Yes. 20 Q And then did you and – let me rephrase that. 21 Did you only invest under your name? 22 A Yes. 23 Q Why did you buy Kin? 24 What was the draw? 25 A We were sold on the ecosystem part of it.</p>	<p style="text-align: right;">Page 15</p> <p>1 We -- we actually -- Tanner 2 Phillips, the head of corporate had called us before, 3 yeah. 4 Q Just for purposes of today when you use the 5 term "we," you're referring to you and your brother, 6 William? 7 A My brother and I, yes. 8 Q You were just mentioning that the -- you had 9 mentioned that I think the presence of VCs was something 10 that you had done as part of your research? 11 A Yeah. 12 Q And was it important to you and your brother 13 that these VCs were participating in the Kin ICO? 14 A Yes. 15 Q Why? 16 A It was just a lot of credibility, you know. 17 Because we had been in cryptos for a while, we know, you 18 know. 19 There's a lot of scams and stuff out there. So I 20 think it was a big step, knowing that they were putting a 21 lot of money in the ICO as well. 22 Q Gave you -- 23 A More confidence, I guess. 24 Q Peace of mind? 25 A Peace of mind, yes.</p>
<p style="text-align: right;">Page 14</p> <p>1 And that we felt that -- we felt 2 kind of the next stage in cryptocurrencies 3 is utility. 4 And Kik had -- well, at that 5 time it was an established company with a lot of users, 6 and so we felt they had a fast track to like, a lot of 7 utility. 8 Q And why is having a fast track to a lot of 9 utility important to you? 10 A Just for smoother advantage, just, you know, 11 an app, something that has cryptocurrency that is just 12 starting is going to be behind an app that has millions 13 of users and it's going to integrate cryptocurrency. 14 Q I'm sorry. I should have asked this earlier. 15 Approximately how much in U.S. dollars did you invest in 16 Kin tokens? 17 A I think it was around at that time 1.6 to 1.7 18 million. 19 Q Did you research Kik before investing? 20 A Yes. 21 Q What did you do? 22 A Well, we had -- we read the Whitepaper. We 23 just read some articles. 24 We saw that major VCs and funds 25 were investing in it.</p>	<p style="text-align: right;">Page 16</p> <p>1 Q Peace of mind that you were investing in a real 2 project? 3 A Correct. Yes. 4 Q Do you know in U.S. dollars what your Kin 5 holdings are worth presently? 6 A I don't know. 7 Q Have you sold any of your Kin? 8 A I haven't, no. 9 Q What did you plan to do with your Kin after you 10 purchased it? 11 A Well, we were going to hold it for a while, at 12 some point liquidate some and then, you know, according 13 to the Whitepaper and everything there should be a lot of 14 utility for it. 15 And so we wanted to obviously purchase 16 and utilize Kin in the ecosystem. 17 Q On the day you purchased or received your Kin, 18 were you able to purchase anything? 19 A No, I don't think so. 20 Q Were you relying on Kik to build the ecosystem 21 in order for you to be able to access the ecosystem you 22 referenced? 23 A Yeah. 24 Q Do you have an account on the Kik app? 25 A I do.</p>

<p style="text-align: right;">Page 17</p> <p>1 Q When did you open that?</p> <p>2 A I want to say like maybe four years ago-ish,</p> <p>3 three or four years ago.</p> <p>4 Q You didn't open it just for the purposes of</p> <p>5 participating in the ICO?</p> <p>6 A No.</p> <p>7 Q Do you use it, the app?</p> <p>8 A No.</p> <p>9 Q Have you ever heard about digital stickers</p> <p>10 being available to Kin owners?</p> <p>11 A Yes.</p> <p>12 Q When did you first hear about that?</p> <p>13 A So I think they announced it a couple months</p> <p>14 after that, maybe like two, three months after September.</p> <p>15 But I don't know if -- I think it was only recently that</p> <p>16 you could actually purchase them.</p> <p>17 I'd say maybe like two weeks ago</p> <p>18 or something.</p> <p>19 BY MR. LEASURE:</p> <p>20 Q What are your general thoughts or impressions</p> <p>21 about stickers on apps like Kik?</p> <p>22 A I would never purchase it, but I do know it</p> <p>23 does very well on messaging apps. I don't know about</p> <p>24 Kik's numbers, but I know apps like Line or Kao Kao,</p> <p>25 K-a-o K-a-o, they do very well.</p>	<p style="text-align: right;">Page 19</p> <p>1 demand as well.</p> <p>2 BY MR. MURTHA:</p> <p>3 Q Did you invest in Kin because you wanted to</p> <p>4 make a profit?</p> <p>5 A Yes.</p> <p>6 Q And just to be clear, you did not invest in Kin</p> <p>7 to buy stickers.</p> <p>8 Is that right?</p> <p>9 A Correct. Yes.</p> <p>10 Q Do you think it's possible for you yourself to</p> <p>11 significantly influence whether Kin rises in value?</p> <p>12 A I guess yes, I feel like I probably could.</p> <p>13 Q Tell me about that.</p> <p>14 A Well, we have a lot of it, Kin, so I guess in</p> <p>15 theory we could do like a pump and dump.</p> <p>16 BY MR. LEASURE:</p> <p>17 Q Have you done --</p> <p>18 A We haven't sold anything yet.</p> <p>19 Q Do you or your brother have the ability to</p> <p>20 build the kin ecosystem?</p> <p>21 A No.</p> <p>22 Q Who was building the kin ecosystem?</p> <p>23 A Kin has an engineering team.</p> <p>24 Q Is that something you can participate in?</p> <p>25 A No.</p>
<p style="text-align: right;">Page 18</p> <p>1 Q Did you buy Kin in order to gain access to</p> <p>2 digital stickers?</p> <p>3 A No.</p> <p>4 Q Have you accessed any stickers on the Kik app?</p> <p>5 A No.</p> <p>6 So the -- it was released to a subset of beta</p> <p>7 users on Kik and we were not invited as beta users.</p> <p>8 Q So participants in the ICO were not necessarily</p> <p>9 a part of the digital sticker offering?</p> <p>10 A No.</p> <p>11 Q After you bought Kin, did you hope that it</p> <p>12 would rise in value?</p> <p>13 A Yes.</p> <p>14 Q And how would that happen?</p> <p>15 A Well, typically it would be -- on an exchange</p> <p>16 there would be demands and then the demand would outweigh</p> <p>17 the supply and the price would just go up.</p> <p>18 Q What would cause the demand for Kin to rise in</p> <p>19 the future?</p> <p>20 A So this is where utility comes into play. So</p> <p>21 if there's useful things for Kin in the real world, then</p> <p>22 demand would go up.</p> <p>23 So if you can buy gift cards or</p> <p>24 something with Kin or buy like a game, like buy tokens or</p> <p>25 gems or something, that would kind of feed the ecosystem</p>	<p style="text-align: right;">Page 20</p> <p>1 Q Is it an open source project?</p> <p>2 A Not that I know of, no.</p> <p>3 Q I just used the word, so let me try to define</p> <p>4 it.</p> <p>5 If Kin is not an open source project, what does that</p> <p>6 mean?</p> <p>7 A So basically open source, like any developer</p> <p>8 could, I guess, write code and be involved in the</p> <p>9 development of that, that app, yes, or that product.</p> <p>10 Q And Kin because it is not open sourced, the</p> <p>11 coding and the work is being done by Kik engineers, to</p> <p>12 your knowledge?</p> <p>13 A To my knowledge, yes.</p> <p>14 BY MR. MURTHA:</p> <p>15 Q What if Kik conducted the ICO and then did</p> <p>16 nothing; would Kin appreciate in value, in your opinion?</p> <p>17 A No.</p> <p>18 Q What would happen to it?</p> <p>19 A I mean, it would just -- everyone would jump</p> <p>20 ship, I think, because all the investors would sell off.</p> <p>21 Q It's fair to say that the value of your Kin</p> <p>22 would dramatically decrease?</p> <p>23 A Yes.</p> <p>24 Q On the day you received your Kin, were you able</p> <p>25 to purchase anything within the Kik app?</p>

Page 21

1 A No.
 2 Q Did you buy Kin with the belief that it would
 3 be listed on secondary exchanges?
 4 A Yes.
 5 Q Was that important to you?
 6 A Yes.
 7 Q Why?
 8 A Just liquidity, just having options for
 9 liquidity.
 10 Q Why is liquidity important to you?
 11 A I guess, you know, cash is king, always good to
 12 have the option to cash out if I need to.
 13 Q How did you get the impression that Kin might
 14 be listed on exchanges in the future?
 15 A Yes.
 16 So I think before -- maybe before the ICO or
 17 during the ICO or something, there was like a tweet
 18 saying they were -- I forgot. It was something like,
 19 "Oh, we're talking to exchanges." And when people would
 20 ask about it, they would kind of egg it on a little
 21 like, "Oh, don't worry," like smiley face or something.
 22 Those were not the exact, you know, words
 23 obviously, but there was -- there was a little like
 24 egging on. Because obviously all ICO purchasers know
 25 exchanges are extremely important. So that was a hot

Page 22

1 topic.
 2 BY MR. LEASURE:
 3 Q And the "they" who you said were egging on the
 4 possibility of exchanges, those were people from Kik?
 5 A Yeah, those were people like running either
 6 the social media accounts, you know -- yeah, community
 7 managers.
 8 BY MR. MURTHA:
 9 Q On the day you received your Kin, were you able
 10 to trade Kin on any exchanges?
 11 A I don't believe so.
 12 Q Today are you able to trade Kin on any
 13 exchanges?
 14 A Yes.
 15 But they're mostly decentralized exchanges, so
 16 it's not exchanges I think that we would ever trust, my
 17 brother and I would ever trust.
 18 Q What do you mean by "decentralized exchanges"?
 19 A So like central would be something that had
 20 someone -- like if anything went wrong, you could contact
 21 customer support or had like an entity that you could
 22 contact for help. Decentralized is basically kind of
 23 what crypto and Blockchain is built around, so it's kind
 24 of based on like voting in a sense.
 25 Q At the time you purchased Kin, is it fair to

Page 23

1 say that you did not intend to immediately use Kin in the
 2 Kin ecosystem?
 3 A Correct. Yes.
 4 Q In fact, you understood that you were unable to
 5 participate in the Kin ecosystem at the time of the
 6 offering because it didn't exist yet; right?
 7 A Correct. Yes.
 8 Q In the future when the Kin ecosystem is built
 9 out, you might participate in that ecosystem; is that
 10 right?
 11 A Yes.
 12 Q At the time you purchased Kin in September of
 13 2017, did you know what products you might purchase in
 14 the future when you participated in the ecosystem?
 15 A Yes.
 16 I think maybe the Whitepaper -- yeah, I think
 17 the Whitepaper, I think it showed like screen sheets like
 18 you could buy Starbucks gift cards and they talked about
 19 like oh, yeah, it would be implemented in games, like a
 20 whole variety of apps, food delivery apps, things like
 21 that.
 22 Q Was your purpose in buying Kin in 2017 tied
 23 specifically to any one of those use cases?
 24 A I mean, a couple of use cases.
 25 Q My question is did you intend to buy Kin in

Page 24

1 order to obtain Starbucks gift cards in the future.
 2 A Yes.
 3 Q You wanted Starbucks gift cards?
 4 A Starbucks, Amazon. We were hoping for games,
 5 we were hoping for Clash of Clans, you know.
 6 BY MR. LEASURE:
 7 Q So why not wait until the ecosystem is built?
 8 A I mean, frankly we just thought we would get in
 9 at a better price.
 10 Q So you could in the future get more out of the
 11 ecosystem --
 12 A Correct. Right.
 13 Q -- by buying early?
 14 A Correct.
 15 Kind of like an early investor or something.
 16 BY MR. MURTHA:
 17 Q Have you traded any of your Kin?
 18 A I have not, no.
 19 Q Have you ever had any communications with
 20 anyone from Kik?
 21 A Yes.
 22 Q Tell me about that.
 23 A Before the ICO we talked to this guy named
 24 Tanner Phillips. He had reached out to us. And he
 25 called us to, you know, to, I guess, ask about our

Page 25

Page 27

1 interests. And, you know, he said, "Anything you guys
2 need, you know, just feel free to reach out, I'll get
3 back to you, you know, anything you need help with, any
4 questions, let me know."
5 Q And did you ever reach out to him after you
6 purchased your Kin?
7 A Yes.
8 I mean, they, in our opinion, they went
9 basically radio silent for two, three, maybe two months
10 after the ICO event. And, you know, I sent them emails.
11 And some he wouldn't respond at all. Some he would just
12 give me very vague answers. But he was definitely not as
13 helpful or communicative as he made it seem like he would
14 be.
15 Q You felt frustrated?
16 A Yes, very frustrated. I mean, we're still very
17 frustrated.
18 Q What are you frustrated about?
19 A Just like communication. I think communication
20 with that team has generally been really bad. But, you
21 know, we are happy that -- it seems like from a tech
22 standpoint, from a product standpoint things are moving
23 forward. Regardless of that the communication is really
24 bad. It was really poor.
25 Q So communications were poor, but from a tech

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Page 28

1 standpoint things are moving forward, you mean -- when
2 you say "things are moving forward," you mean Kik is
3 doing things and building things?
4 A Correct.
5 Q And that's important to you?
6 A Correct. Yes.
7 Q Why is it important to you?
8 A I guess, like I said before, the main reason we
9 got into Kin was for utility. And so it's being released
10 into the mainstream and there's finally some utility.
11 Q Getting into the mainstream and having Kin have
12 utility is important to you because you're hoping that
13 Kin's value will rise?
14 A Uh-huh. Yes.
15 And we can use our Kin for things like, you
16 know, gift cards and games and stuff.
17 Q Other than expressing your frustrations about
18 the speed at which Kik was moving forward with building
19 the ecosystem, did you ever have occasion to communicate
20 with anyone from Kik about anything else?
21 A Yes.
22 So Kin, one of the guys from Kin reached out
23 to one of the founders at a company I worked at called
24 Flipagram. And they wanted to partner with Flipagram.
25 They wanted to implement a Kin SDK into Flipagram.

1 Q And did that happen?
2 A No.
3 Well, I guess the meeting happened, but it did
4 not get implemented into Flipagram.
5 Q Do you have an understanding whether or not it
6 eventually will be implemented into Flipagram?
7 A No, it will not be.
8 Q Do you know why it won't be?
9 A So Flipagram sold to a Chinese company called
10 Byte Dance. That company just doesn't want like third-
11 party SDKs.
12 Q What does SDK stand for?
13 A It's like system development kit or something.
14 BY MR. LEASURE:
15 Q Did Kik provide you with financials for the Kik
16 company at the time of the offering?
17 A No.
18 Q So you like the vision for Kin; correct?
19 A Correct.
20 Q And you still like it?
21 A I still like the vision, yes.
22 Q If you have concerns, it's about communications
23 with Kik; correct?
24 A Correct.
25 Q And about the pace; you want the pace of the

1 development of the ecosystem to be faster, if possible?
2 A Well, I just want them to stick to their
3 timeline.
4 Q And you're concerned that they're not?
5 A They're not, yeah.
6 It's not like -- they're
7 way behind, yeah.
8 Q The "they" is Kik?
9 A Kik. I'm sorry. Yes.
10 Q My problem too.
11 Is it fair to say that you invested in Kin at
12 least in part as a result of the things that Kik and its
13 management said in the Whitepaper?
14 A Yes.
15 MR. MURTHA: Let's go off the record.
16 THE VIDEOGRAPHER: Going off the record at
17 10:34.
18 (Whereupon, there was a discussion off the
19 record.)
20 THE VIDEOGRAPHER: We are back on the record at
21 10:37.
22 BY MR. MURTHA:
23 Q Back on the record after a brief break,
24 during which you had no substantive conversations about
25 this case with the SEC staff.

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1 Is that right, Mr. Wang?
 2 A That's right.
 3 Q Is Kin the only ICO that you participated in?
 4 A Yes.
 5 Q At this time I would like to offer you the
 6 opportunity to clarify anything that you said here today.
 7 Is there anything you'd like to
 8 clarify?
 9 A No.
 10 MR. MURTHA: We're off the record.
 11 THE VIDEOGRAPHER: This concludes today's
 12 investigative testimony of Mr. Harrison Wang. And the
 13 time is 10:38.
 14 (Whereupon, at 10:38 a.m., the examination
 15 concluded.)
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1 PROOFREADER'S CERTIFICATE
 2
 3 In the Matter of: KIK INTERACTIVE, INC.
 4 Witness: Harrison Wang
 5 File Number: HO-13388-A
 6 Date: Thursday, July 19, 2018
 7 Location: Los Angeles, CA
 8
 9 This is to certify that I, Christine Boyce, (the
 10 undersigned) do hereby swear and affirm that the attached
 11 proceedings before the U.S. Securities and Exchange
 12 Commission were held according to the record, and that
 13 this is the original, complete, true and accurate
 14 transcript, which has been compared with the reporting or
 15 recording accomplished at the hearing.
 16
 17
 18 _____
 19 (Proofreader's Name) (Date)
 20
 21
 22
 23
 24
 25